

NEWS RELEASE
IMPACT Silver Corp.

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IMPACT Silver Announces Q3 2020 Production & Financial Results
Net Income \$0.9 million, EBITDA \$1.4 million, on \$4.8 million Revenue for Quarter

IMPACT Silver Corp. ("IMPACT" or the "Company") announces its financial and operating results for Q3 2020, period ending September 30, 2020.

The Company reported \$4.8 million in revenues for Q3 2020 compared to 2019 at \$3.5 million due to improved metal prices and ongoing operational efficiencies. Most notably, the Company delivered strong net income of \$0.9 million, and EBITDA of \$1.4 million, representing a 28% EBITDA margin. This is a stark contrast to a net loss \$0.2 million and EBITDA of \$0.3 million in Q3 2019. Mine operating earnings before amortization and depletion were \$2.1 million in Q3 2020 compared to \$0.7 million in Q3 2019.

YTD 2020 revenue was \$11.0 million compared to \$9.3 million in 2019, and net income for the nine months was \$0.6 million compared to a loss of \$3.9 million in 2019.

Silver production year to date 2020 was only down 4% compared to 2019 at 462,231 ounces despite the COVID-19 official shutdown required by Mexican government from April to June 2020. Moreover, revenue per tonne rose to \$136.63 for Q3 2020 (2019 -\$105.12), and YTD it increased to \$111.12 in 2020 (2019 - \$88.24). Ongoing operating efficiencies continues to pay dividends with direct costs per tonne dropping to \$76.79 for the quarter, a 7% year over year decrease.

Fred Davidson, President & CEO of IMPACT, stated, "I would like to thank the focus and dedication of our team for their concerted effort in managing the operation through an unforeseen pandemic like COVID-19 and keeping the workforce safe first of all, and second of all delivering a solid quarter. This quarter gave us a glimpse of the cashflow potential at Guadalupe and we aim to increase production capacity to capitalize on long-awaited higher silver and metal prices. With a stronger balance sheet and positive cashflow from operations, our next priority is in unlocking additional exploration targets we have throughout our large 210 kilometer land package and assessing expansion production potential at Capire open pit. With over 10 million ounces of silver produced to date, we believe we are just scratching the surface on the Zacualpan district. Armed with increased cash balance we aim to deploy capital where needed to unlock additional value and upside for IMPACT stakeholders."

The cash balance at end of September 30, 2020 was \$17.4 million, up from \$3.8 million at December 31, 2019. This significantly higher cash position is attributable to \$10.8 million being generated from private placements, \$1.8 million from the exercise of options and share purchase warrants, and positive cashflow from operations of \$2.4 million YTD 2020. Working capital at September 30, 2020 was \$16.8 million compared to \$3.6 million at December 31, 2019.

2020 Financial Overview

- Net income for the quarter was \$0.9 million compared to a net loss of \$0.2 million in 2019.
- YTD net income was \$0.6 compared to a loss of \$3.9 million in 2019.
- Mine operating earnings before amortization and depletion for Q3 2020 were \$2.1 million, an improvement of \$1.3 million over Q3 2019.
- Cash generated from operating activities was \$1.6 million in Q3 2020 compared to cash used in operation of \$0.3 million in Q3 2019.
- For the nine months 2020 cash generated from operating activities was \$2.4 million, up from \$1.0 million used in operating activities in 2019.
- EBITDA for Q3 2020 improved to \$1.4 million from \$0.3 million in Q3 2019.
- At September 30, 2020, the cash position was \$17.4 million and working capital was \$16.8 million, compared to cash of \$3.8 million and working capital of \$3.6 million at December 31, 2019.
- The Company has no long-term debt.

2020 Production Overview

- Revenue per tonne increased to \$136.63 in Q3 2020 from \$105.12 in Q3 2019, while direct costs per tonne decreased to \$76.79 from \$82.33 in the comparative period in 2019.
- YTD 2020 revenue per tonne was \$111.12 up from \$88.24 in 2019, and direct costs per tonne were \$76.13, a decrease of 8% over 2019..
- Production at the Guadalupe mill came from the Guadalupe Mine (45% of mill feed), the San Ramon Mine (21% of mill feed), the Cuchara Mine (23% of mill feed), and the Veta Negra Mine (11% of mill feed).
- Silver YTD decreased by 4% over 2019 to 462,231 ounces. In Q3 2020 153,667 ounces were produced compared to 174,577 ounces in Q3 2019
- Average mill head grade for silver in Q3 2020 was 166 grams per tonne (g/t), down from 182 g/t in Q3 2019. YTD 2020 mill head grade was 174 g/t, a 3% increase from the same period in 2019.

With higher silver prices forecasted in 2020 and beyond, revenue per tonne and gross margin should maintain and expand. The IMPACT team will be monitoring this closely, and will evaluate the timing for increasing production capacity accordingly.

George Gorzynski, P.Eng., a Qualified Person under the meaning of Canadian National Instrument 43-101, approved the technical content regarding exploration work in this news release.

A recorded conference call reviewing the financial and production results of the year ended September 30, 2020 will be available on the Company website on November 24, 2020 at www.impactsilver.com/s/ConferenceCalls.asp.

The information in this news release should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and Management's Discussion and Analysis, available on the Company website at www.impactsilver.com and on SEDAR at www.sedar.com. All amounts are stated in Canadian dollars unless otherwise specified.

About IMPACT Silver

IMPACT Silver Corp. is a successful silver-gold explorer-producer with two processing plants on adjacent districts within its 100% owned mineral concessions covering 211km² in central Mexico

with excellent infrastructure and labor force. Over the past 15 years, IMPACT has produced over 10 million ounces of silver, generating revenues over \$202 million, with no long-term debt. At the Royal Mines of Zacualpan Silver District, three underground silver mines and one open pit mine feed the central Guadalupe processing plant. To the south, in the Mamatla District, the Capire processing pilot plant is adjacent to an open pit silver mine with a mineral resource of over 4.5 million oz silver, 48 million lbs zinc and 21 million lbs lead (see IMPACT news release dated January 18, 2016 for details); Company engineers are reviewing Capire for restart of operations in light of current rising silver prices. With 15 years of exploration successes leading to production cash flows, IMPACT has shown the Zacualpan Silver-Gold District to be endowed with many high grade epithermal silver-gold zones.

Additional information about IMPACT and its operations can be found on the Company website at www.IMPACTSilver.com. Follow us on Twitter [@IMPACT_Silver](https://twitter.com/IMPACT_Silver) and LinkedIn at <https://www.linkedin.com/company/impactsilver>

On behalf of IMPACT Silver Corp.

“Frederick W. Davidson”

Frederick W. Davidson
President & CEO

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Forward-Looking and Cautionary Statements

This IMPACT News Release may contain certain “forward-looking” statements and information relating to IMPACT that is based on the beliefs of IMPACT management, as well as assumptions made by and information currently available to IMPACT management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including but not limited to, without limitations, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events. Should any one or more risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. IMPACT does not assume the obligation to update any forward-looking statement.

The Company’s decision to place a mine into production, expand a mine, make other production related decisions or otherwise carry out mining and processing operations, is largely based on internal non-public Company data and reports based on exploration, development and mining work by the Company’s geologists and engineers. The results of this work are evident in the discovery and building of multiple mines for the Company and in the track record of mineral production and financial returns of the Company since 2006. Under NI43-101 the Company is required to disclose that it has not based its production decisions on NI43-101-compliant mineral resource or reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure